

PATENT

Application Serial No.: 09/360,422
Attorney Docket No.: 99-004**REMARKS**

Claims 1 to 118 remain pending.

Claims 1, 2, 9, 11, 13, 15, 17, 19, 22, 28, 30, 33, 35, 47, 48, 73, 74, and 108 are the only pending independent claims.

Claim Objections

Claim 48 stands objected to "as being of improper dependent form." However, Claim 48 is actually an independent claim that merely happens to reference another claim (i.e. Claim 47). Thus, Applicants respectfully request that the Examiner withdraw his objection to Claim 48.

Applicants note that they inadvertently did not pay for the correct number of independent claims at the time the present application was filed. Included with this response, Applicants have filed an authorization to charge Applicants' Deposit Account No. 50-0271 for 13 additional independent claims to correct this unintentional oversight.

Prior Section 112 Claim Rejection

Claims 2, 9, 11, 13, 15, 17, 19, 22, 28, 30, 33, and 35 were rejected under 35 USC Section 112 in the prior Office Action. Applicants respectfully traversed the Examiner's rejection in the prior response and now assume, since the present Office Action does not mention the Section 112 rejection, that the Examiner has withdrawn it. Applicants respectfully request that the Examiner confirm Applicants' assumption.

Double Patenting

Applicants are filing herewith a terminal disclaimer to overcome the Examiner's rejection based on nonstatutory double patenting. While Applicants respectfully do not necessarily accept or agree with the Examiner's rejection or characterization of Claims 1, 47, 62, 73, 87 to 95, 101, and 102 of the present invention or Claim 1 of commonly-owned U.S. Patent No. 6,249,772 issued to Walker et al., Applicants provide the attached terminal disclaimer solely to expedite and advance prosecution of the present application.

Section 103 Claim Rejection

Claims 1 to 118 stand rejected under 35 U.S.C. Section 103(a) as unpatentable over U.S. Patent No. 5,710,887, filed 8/29/95 and issued 1/20/98 to Chelliah et al (hereinafter "Chelliah")

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and, with respect to some subset of unidentified claims, Chelliah in view of factual assertions of the Examiner. Applicants respectfully traverse these rejections.

As a preliminary matter, Applicants object to the ambiguous form of the Section 103 rejection in the present Office Action. The rejection merely consists of a long description of features of Chelliah without any mention of the specific claimed features of Applicants' invention. The Examiner does not specify which paragraphs of the rejection correspond to which features of which claims. Thus, Applicants are unable to accurately determine the particular claimed features that the Examiner is asserting are disclosed by Chelliah. Based on this objection alone, Applicants assert that the Examiner has not provided a complete rejection, nor provided the Applicants a fair opportunity to overcome the Section 103 rejection.

Applicants' above objection notwithstanding, Applicants assert that the Examiner has mischaracterized the Chelliah reference. The reference describes a system for electronic commerce that appears to calculate discount amounts based on customer selected products. However, a through review of the reference reveals that there is no disclosure of "determining a package to be offered . . . [including] at least one secondary product" "in response to detecting that [a] primary product is of interest to [a] customer" (or the like as recited in Applicants' independent claims) anywhere within Chelliah. Although it is not clear as discussed above and without any specific explanations, it appears that the Examiner relies on a combination of the following three passages to support the apparent assertion that Applicants' above-quoted claim feature is taught by Chelliah:

Col. 3, lines 5 to 45 state:

Briefly, therefore, this invention provides for a system for facilitating commercial transactions, between a plurality of customers and at least one supplier of items. The commercial transactions occur over a computer driven network capable of providing communications between the supplier and at least one customer site associated with each customer. Each site includes an associated display such as a personal computer, set-top box, a touch sensitive screen, a touch tone telephone or any other device capable of reproducing to audio or video information to a human being. Each site typically also includes an input means such as a keyboard or computer "mouse" through which the customer can input information into the system.

The system of the invention facilitates the presentation of at least one supplier on the display for selection by the customer using the input means. Similarly items from a supplier can be displayed for the customer to observe. Associated with a supplier of such items is an item database including information on presented items. Pricing means receives information from the item database to determine the cost associated with a presented item. In addition a customer information database stores information relating to

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the customer. The system also comprises means for creating a customer monitoring object for each customer.

The customer monitoring object is created by referencing information, relating to that customer, which had been stored in the customer information database and when the customer selects a supplier. The customer monitoring object is configured to operate by responding to customer enquiries, communicated through the input means, regarding a presented item by accessing the item database to retrieve information relating to said item and to present said information to the customer by means of the display; receiving a customer's selection of a presented item through the input means; communicating with the pricing means to cause the cost of the item to be determined; presenting the cost to the customer by means of the display; receiving customer communications, through the input means, indicating a desire to receive the item; and passing a delivery initiation communication to initiate the delivery of the item to the customer.

In this passage, the Examiner appears to rely upon the teaching that the Chelliah system responds to customer enquiries regarding presented items to retrieve information relating to the items (which is also presented to the customer) and then providing computed cost information after receiving a customer selection of a presented item. There is no teaching that a package deal is offered to the customer that includes a second item along with the selected item.

Col. 12, lines 28 to 50 state:

IV. Transaction Processing

Overview of an Electronic Store Transaction

To more fully understand the operation of the invention, it is useful to concentrate on a transaction in a single electronic store. FIG. 5 shows an overview of a simplified logic flow for a typical transaction.

A Customer/Participant 12 enters an electronic storefront 14 and is presented with the store's Product Database 116 in connection with in-store sales, presented by the Sales Representative 114 together with an Incentives Subsystem 160 and narrowcast advertising targeted at the Customer through a Promotions Subsystem 162 based on the Customer's demographics or purchasing habits as defined by a Participant Subsystem 164 and Customer Accounts Subsystem 117.

In response, the Customer passes product or service selections to the Sales Representative 114. The Sales Representative 114 obtains pricing information from the Incentives Subsystem 160 to get pricing rules, and then passing the selection list and the pricing rules to the Pricing Engine 120, which calculates and returns discounted prices by matching the selection list against the pricing rules using product information from the Product Database 116.

In this passage, the Examiner appears to rely upon the teaching that the Chelliah system uses targeted advertising with an "Incentives Subsystem 160" that provides pricing rules that are used to calculate discounted prices based on the selection list. However, there is no teaching that a package deal is determined and offered to the customer that includes a second item along with the selected item.

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Col. 18, line 24 to Col. 19, line 26 states:

These steps are discussed in turn, below.

The first step is a call to the Pricing Engine 120 to compute a subtotal for the items in the customer's order. The Sales Representative Object 114 passes the customer's order and all the currently existing Pricing Rules to the Pricing Engine 120, which returns a Total List Price, a Total Discount and an itemized price list.

The actual interface to the Pricing Engine 120 takes the form:

```

BV-- AmendmentList eval(
  in BV-- ItemList target-- items,
  in BV-- ItemList basket-- items,
  in BV-- IncentiveList-- incentives;
  out BV-- Money total-- list-- price,
  out BV-- Money total-- discount
);
  
```

The first two inputs, target-- items and basket-- items, together comprise the Customer's order. Target items are those items that are discountable. Basket-- items are those items that are nondiscountable, but which may be required to support discounting (e.g., they may contribute to meeting a quantity requirement).

The third input, incentives, is a list of all currently existing store incentives. Each Incentive takes the form:

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struct BV-- Incentive (
  long application-- count;
  boolean valid-- with-- others;
  BV-- PricingRule rule;
);
  
```

where application-- count is the number of times the discount may be applied; valid-- with-- others is TRUE if the coupon can be applied to items already subject to a pricing change and FALSE otherwise; and rule is the pricing rule defined by the Store Management via the Store Management Dashboard 20 (as discussed below). The comparison of items to predicates (described in detail below with reference to FIG. 11) uses a pricing algorithm as follows:

```

Set the total-- list-- price to $0.00
Set the total-- discount to $0.00
For each item in target-- items:
  Add the item's list price to the total-- list-- price
  If the item is no longer discountable, continue to next item
For each incentive:
  If the rule matches and yields an adjustment, then Store the
  incentive, rule, adjustment>
  quartet in an array of results
  Mark item no longer discountable if the incentive is not valid with other
  offers
  If the adjustment is an amount, modify the total-- discount
  accordingly
End if
End this incentive; process next incentive in sequence
Return the array of results to the Sales Rep.
  
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After computing the total-- list-- price and total-- discount, the Sales Representative Object 114 invokes a subtotal function to calculate the subtotal=total-- list-- price--total-- discount. The Sales Representative Object 114 then invokes a shipping-- cost function to pass the order to an external Shipping Subsystem that calculates shipping costs. This is typically one of several existing legacy systems which interface to the electronic store through the electronic mall's Shipping API. Similarly, the Sales Representative Object 114 calls an external Tax Subsystem to calculate the taxes. Sales Representative Object 114 then adds the subtotal, shipping, and tax to give a total price.

In this passage, the Examiner appears to rely upon the teaching that the Chelliah system uses a Pricing Engine 120 that can evaluate a pricing rule that requires, for example, that a certain quantity of an item be purchased to qualify for a particular discount. Again, this is clearly distinct from Applicants' claimed feature of presenting the customer with a package offer which, in response to detecting interest in a selected product, states that if the customer purchases a second product along with the selected product, a specific discount on the total purchase price of both products is available.

Thus, as mentioned above, the reference merely describes calculating discount amounts based on customer selected products. The cited passages indicate that pricing rules are applied to the customer selections to determine, for example, if the customer qualifies for a particular discount. However, it is clear that the relied upon passages do not support that Examiner's apparent assertion that the reference teaches Applicants' claimed feature of determining a package to be offered, including at least one secondary product, in response to detecting that a primary product is of interest to a customer. Thus, the Examiner has not established a *prima facie* case of obviousness because he has not shown that this feature is in the prior art. Applicants therefore respectfully request that the Examiner withdraw his Section 103 rejection of Claims 1 to 118.

Further, regarding the unidentified subset of claims that stand rejected based upon Chelliah in view of the factual assertions of the Examiner, even if Chelliah disclosed that which the Examiner relies upon it for, which it does not, the Examiner still would not have met his burden of establishing a *prima facie* case of obviousness in that he has not provided any motivation to combine Chelliah with the features he describes as "well known" or "obvious."

Further, Applicants do not accept nor agree with the Examiner's characterization of the features of the unidentified subset of claims that stand rejected based upon Chelliah in view of the factual assertions of the Examiner as "obvious" or "well known." Applicants assume that the Examiner intended to take Official Notice of these asserted facts that are not otherwise in the

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record. In each case, the officially-noted subject matter comprises the principal evidence upon which the rejection was based. In other words, the Examiner relies upon officially-noted subject matter to show that a feature of the rejected claim was in the prior art. For the record, Applicants dispute all of the various assertions in the Office Action regarding what is "well known," "obvious" and/or otherwise officially-noted. Applicants likewise dispute all assertions which were not proper factual findings because they are mere unsupported conclusions.

Applicants respectfully remind the Examiner that officially-noted subject matter cannot be used as the primary basis for a rejection under 103. In other words, official notice alone of what existed in the prior art is not permitted. A reference must be provided to show the scope and content of the prior art. See, e.g., *In re Ahlert*, 424 F.2d 1088 (C.C.P.A. 1969) ("Assertions of technical facts in areas of esoteric technology **must always be supported by citation to some reference work** recognized as standard in the pertinent art and the appellant given, in the Patent Office, the opportunity to challenge the correctness of the assertion or the notoriety or repute of the cited reference. ... Allegations concerning specific 'knowledge' of the prior art, which might be peculiar to a particular art should also be supported and the appellant similarly given the opportunity to make a challenge.") (emphasis added); *In re Eynde*, 480 F.2d 1364 (C.C.P.A. 1973) ("[W]e reject the notion that judicial or administrative notice may be taken of the state of the art. Facts constituting the state of the art in a patent case are normally subject to the possibility of rational disagreement among reasonable men, and **are not amenable to the taking of judicial or administrative notice.**") (emphasis added); *In re Pardo*, 684 F.2d 912 (C.C.P.A. 1982) ("[T]his court will always **construe [the rule permitting judicial notice] narrowly** and will regard facts found in such manner with an eye toward narrowing the scope of any conclusions to be drawn therefrom. Assertions of technical facts in areas of esoteric technology **must always be supported by citation to some reference work** recognized as standard in the pertinent art and the appellant given, in the Patent Office, the opportunity to challenge the correctness of the assertion or the notoriety or repute of the cited reference.") (emphasis added) Official Notice may be used, if at all, to clarify the meaning of a reference. See, e.g., *In re Ahlert*, 424 F.2d 1088 (C.C.P.A. 1969) ("Typically, it is found necessary to take notice of facts which may be used to supplement or **clarify the teaching of a reference disclosure**, perhaps to justify or explain a particular inference to be drawn from the reference teaching.") (emphasis added).

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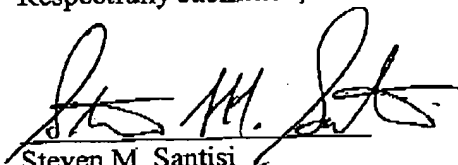
Accordingly, Applicants request a reference that describes the officially-noted subject matter in sufficient detail to provide Applicants an opportunity to determine its scope and an opportunity to distinguish the prior art from the present invention. MPEP 2144.03. Likewise, if the Examiner is relying upon his own personal knowledge of what was "obvious" or "well known," Applicants respectfully request that the Examiner provide an affidavit in support of his factual assertions. Short of such support for the Examiner's factual assertions, Applicants respectfully request withdrawal of the Section 103 rejections on this additional ground.

Conclusion

For the foregoing reasons it is submitted that all of the claims are in condition for allowance and the Examiner's early re-examination and reconsideration are respectfully requested.

Alternatively, if there remains any question regarding the present application or any of the cited references, or if the Examiner has any further suggestions for expediting allowance of the present application, the Examiner is cordially requested to contact Steven M. Santisi at telephone number (203) 461-7054 or via electronic mail at ssantisi@walkerdigital.com.

Respectfully submitted,



Steven M. Santisi
Attorney for Applicants
Registration No. 40,157
Ssantisi@walkerdigital.com
Walker Digital, LLC
Five High Ridge Park
Stamford, CT 06905
(203) 461-7054 /voice
(203) 461-7300 /fax

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